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November 14, 2005

Federal Communications Commission Office of the Secretary 9300 East Hampton Drive Capitol Heights, MD 20743

Federal Communications Commission Office of the Secretary 445 12<sup>TH</sup> St., SW Washington, DC 20554

Re: IN THE MATTER OF REQUEST FOR REVIEW BY RELCOMM, INC. OF **DECISION OF UNIVERSAL SERVICE ADMINISTRATOR** 

CC Docket No. 02-6

SLD decision 1022916 and 1023492

Year Six E-Rate

Billed entity #123420: Atlantic City Board of Education

IN THE MATTER OF REQUEST FOR REVIEW BY RELCOMM, INC. OF DECISION OF UNIVERSAL SERVICE ADMINISTRATOR

CC Docket No. 02-6

SLD decisions 1185824, 1185996, 1185946, 1185717, 1185789 and 1185745

Year Seven E-Rate decisions dated January 11, 2005 Billed entity #123420: Atlantic City Board of Education

Dear Sirs or Madams:

This firm represents RelComm, Inc., the Petitioner in the above two Requests for Review. This letter is a response on behalf of RelComm to the October 25, 2005 letter to you from Michael J. Blee, Esquire on behalf of the Atlantic City Board of Education ("ACBOE"), which was recently posted on your web site.

On October 20, 2005, I wrote to the FCC requesting that you withdraw the Requests for Review filed by RelComm. As my letter stated, RelComm had been engaged in private litigation with the Atlantic City Board of Education ("ACBOE"), the recipient of the funding decisions challenged by RelComm, and its superintendent, Fred Nickles, along with Alemar Consulting, the consultant hired by ACBOE to manage its Year 6 and Year 7 bid processes and awards, and its principal, Martin Friedman. Effective September 28, 2005, the parties reached a global settlement of that litigation, one of the terms of which required RelComm to request the withdrawal of its Requests for Review. As a result of that settlement, RelComm sent its October 20 letter to the FCC requesting the withdrawal of its Requests for Review.

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RelComm's request that the FCC withdraw its Requests for Review was not intended in any way to reflect any doubts about the merits of its appeals of the challenged SLD funding decisions. To the contrary, as a result of its litigation against ACBOE, Nickles, Alemar and Friedman, RelComm uncovered considerable evidence to support the allegations raised in its Requests for Review, including numerous documents, sworn testimony and videotapes. That evidence includes:

- Videotape and sworn deposition testimony from Alemar/Friedman that he was unaware in December of 2002 of both the composition of and any specific problems with the thencurrent ACBOE data network, which he was bidding to replace, as a result of which he solicited bids from vendors for a "best solution."
- Written evidence of communications between Friedman and the Year 6 winning bidder (Micro Technology Groupe) after bids had been submitted but before the bids were opened about the content of MTG's bid, and specifically about whether MTG had included a VPBX proposal in its bid -- a feature that no other bidder included in its bid, because the bid specifications, such as they were, did not include notice that such a feature was included in the bid.
- Written evidence that MTG, the winning vendor had been given documents prior to its Year 6 bid that were not given to any other bidder.
- Evidence in the form of sworn testimony that Alemar/Friedman had no objective standards by which it judged which bid proposed the "best solution" it sought for ACBOE.
- Sworn testimony from ACBOE officers, including the Business Administrator, the Superintendent and the Educational Technology Coordinator that Alemar/Friedman drafted the bid specifications, ranked the bids received and recommended the winning bid, which was accepted by ACBOE.
- Written evidence that MTG's winning bid in Year 6 was the highest bid received, was almost three times higher than the next closest bid and was approximately 18 times higher than the lowest bid, and that the winning bid included items that were not part of the bid specifications (a VPBX for \$850,000) and buildings that were not included in the bid (the high school building for \$300,000).
- Written evidence that, of the 31 bids managed at various schools by Alemar/Friedman, including ACBOE, MTG has received a contract award 31 times.
- Sworn testimony that Alemar/Friedman was referred to ACBOE by a company called Comtec, which has now won numerous bids at schools where Alemar/Friedman managed the bids, including ACBOE in Year 7.
- Written evidence that ACBOE was fined by the New Jersey Department of Education for awarding illegal no-bid contracts to Alemar and Comtec.

- Written evidence that ACBOE has been awarded funding in Years 6 and 7 for grossly unnecessary and excessive expenditures, including funding for 75 wiring drops in a building with two classrooms and two computers, and funding in both Year 6 (two duplicate line items) and Year 7 (again, two duplicate line items) for 200 wiring drops in a building with far fewer students, which was already wired with E-rate program funds in Year 2.
- Written evidence and sworn testimony that line items were funded in ACBOE's Year 7 general funding request, which was submitted at the 90% rate, which were intended for the high school building, which was submitted separately at the 80% level, despite that funding in Year 6 did not reach the 80% level.

In addition to the above items, all of which can be demonstrated by RelComm with tangible evidence at the FCC's request, the Commission should be concerned about blatant inconsistencies contained in Mr. Blee's October 25<sup>th</sup> letter, when compared to his earlier letter to the FCC dated January 6, 2005. In his January 6<sup>th</sup> letter, Mr. Blee, on behalf of ACBOE, offered to guarantee repayment of the Year 6 funding advance (in excess of \$3.5 million) sought by ACBOE, despite that ACBOE had never authorized that guarantee in any board resolution and had not set funds aside in its budget to cover the guarantee payment if it were to become due. Presumably, however, Mr. Blee assured himself that ACBOE had the financial ability and capacity to fund such a reimbursement before he made his offer of guarantee. Now, in his October 25<sup>th</sup> letter, however, Mr. Blee would have the Commission believe that ACBOE has been "crippled" by RelComm's Requests for Review and has "suffered" because "the computer system in the district is failing." Certainly, at a minimum, the FCC should investigate these inconsistent statements in letters from ACBOE's counsel before concluding its review or releasing any funds.

RelComm filed its Requests for Review because it believed then -- as it does now -- that significant violations of law and SLD/FCC rules and regulations occurred in connection with the funding requests submitted by Alemar/Friedman on behalf of ACBOE for Years 6 and 7. RelComm believes, based upon the evidence it has submitted to the FCC, that the FCC should continue the reviews, which it has commenced, of the funding awards made to ACBOE in Years 6 and 7, despite the settlement of the private litigation that required RelComm to request the withdrawal of its Requests for Review.

Very truly yours,

FLASTER/GREENBERG P.C.

J. Philip Kirchner

JPK/kd